

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
September 2004**

DATE: October 8, 2004

TO: All Civil Service/Exempt Departments

FROM: State Controller's Office
Don Ward, Operations Manager
Personnel/Payroll Operations
(916) 322-8805

RE: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 9, 2004 Personnel/Payroll Committee (PPRC) Meeting and provides information for the November 18, 2004 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 40 representatives from 28 departments that participated in this meeting.

Personnel/Payroll Review Committee
September 9, 2004 Meeting Notes

The meeting was called to order at 1:30 by Pam Keegan

Departments represented:

Alcohol Beverage Control, Board of Equalization, California Highway Patrol, California Housing Finance Agency, Consumer Affairs, Corporations, CUIAB, Developmental Services, Environmental Health Hazard Assessment, Finance, Financial Institutions, Fish and Game, Forestry and Fire Protection, Franchise Tax Board, General Services, Health and Human Services Data Center, Health Services, Inspector General, Justice, Managed Care, Motor Vehicles, State Controllers Office, Teale Data Center, Toxic Substance Control, Transportation, Treasurer's Office, Water Resources and Water Resources Control Board.

Old Business:

None

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

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Approved July 2004 meeting notes.

Guest Speaker: William Greenhalgh, CalPERS Health Benefits, (916) 795-3882, addressed changes to coverage options available this year, notably for Sacramento area employees which are faced with Sutter Hospitals being dropped from coverage. This was a joint decision between Sutter and CalPERS to stop the coverage. CalPERS has added a new graphic on their web site showing a comparison between Blue Shield basic plan, Blue Shield PPO and PersChoice side by side for ease of selection. This can be viewed at the CalPERS web site at www.calpers.ca.gov. Click on members, then health, then hospital providers, and then PersCare, PersChoice Comparison Guide.

Using the CalPERS Zip Code chart allows an employee to enter the Zip Code and only providers in that location will be shown. The Zip Code search engine is located at www.calpers.ca.gov. Click on employers, on the right hand side of the screen under short cuts; click on Zip Code search.

The final day to key into ACES is technically 10-1-04, but as long as the HBD 12 received by date is prior to 10-15-04, the ACES system will allow you to key these. The sooner they are keyed into ACES the better as there will be less retroactivity for the member.

It is important to enter the doctor's name when keying to ACES. Some providers require this information and not entering it will cause delays.

COBRA Direct Pay: Key the COBRA enrollment into ACES. That takes care of your responsibility. The ACES system will send the enrollment to the provider and they will send the billing information to the COBRA enrollee. A number of providers also include a coupon book for future payments.

Question: Is there a timing issue for people eligible for COBRA?

Answer: Yes, there is a 60-day window during which they must respond and send in their enrollment forms. There is then a 45-day period in which they must remit payment. If either of these timeframes is not met, they will be cancelled.

In order for a member to be eligible for COBRA and have it keyed into ACES, there must be a permanent separation on Employment History. Be sure to coordinate this for your employees. For dependants; i.e., aged out children, you can call CalPERS and we will enter the SSN for the dependants so that you can key COBRA into ACES.

If a dependant is already cancelled from the member's health account, you can call 1-888-CALPERS and we can add the SSN for you. Then you will be able to process the COBRA enrollment on ACES the next day. If the dependant is not cancelled, you will be able to add the SSN on the demographic screen.

If you need open enrollment packages, refer your employees to the CalPERS web site. They can order their own and it will be mailed to their home address.

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Question: How should we process packages where there is both an HBD 12 and a Flex document?

Answer: Key the HBD 12 to ACES and send the Flex document to SCO with the remarks HBD 12 keyed to ACES.

Retirees over 65 must enroll in both part A & part B Medicare. They will be sent two letters reminding them to enroll in Medicare, and then they will be cancelled from their Health Benefits, if they do not enroll or provide proof that they are not eligible.

AB 205: Domestic Partnerships must be registered one year prior to retirement to claim survivor benefits for the partner. There is a certificate that is currently provided to domestic partners by the Secretary of State's Office. AB 205 will change the requirements for terminating domestic partners effective 12/31/04. Please visit the Secretary of State's web site for more information at http://www.ss.ca.gov/dpregistry/dp_formsfees.htm

If you have an employee who has requested disability retirement, and it is taking a very long time to get the approval; you need to call CalPERS and have us assist in getting Direct Pay set up for these people. They will have coverage issues if too much time elapses and should take care of the premiums themselves to avoid having service denied for lack of coverage.

Question: What if my employee drops a spouse when they have a marital separation, then reconcile and want to add the spouse back on their coverage?

Answer: This is not a valid permitting event and they will need to wait for open enrollment or the first of the month following a 90-day waiting period (HIPPA late enrollment).

Cheryl Salvador, CalPERS Actuarial & Employer Service Division, was unable to attend but provided the following updates:

Alternate Retirement Program (ARP) - Please refer to DPA's PML 2004-040 for information on ARP. Don't forget, for any employees hired after 8/11/04, to complete the worksheet that is attached to the PML. If you don't have the PML or the worksheet, they can be obtained at DPA's web site. The PML tried to address as many scenarios as possible. However, if you have a situation you are not sure how to handle, please contact DPA or CalPERS.

Employment After Retirement with a CalPERS Covered Employer - Circular Letter 200-181-04 was sent out to all CalPERS agencies on 9/3/04. It informs you that California Code of Regulations Sections 586 through 586.2 have been finalized and are effective 9/19/04. You may obtain a copy of this letter at www.calpers.ca.gov. From the CalPERS main page click on "employer"; then scroll down and click on "circular letters"; then "200-181-04". Please note there is also an attachment with this letter.

CalPERS Education Forum 2004 - This is scheduled for October 25 - 27, 2004 at the Hilton in Anaheim. There is a \$250 registration fee per person. Deadline to register is 10/4/04. For additional information go to the CalPERS web site at www.calpers.ca.gov. From the CalPERS home page select "Employer" then on the right side of the screen, under "Upcoming Events" click on "Educational Forum 2004".

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SCO Update:

Reminder: the PPRC meeting notes are now being posted on the SCO web site instead of being sent to you via email. We try to post the notes on the web site within the month following the meeting. You can access this site at <http://www.sco.ca.gov/ppsd/pprc>

Agency Collection AR Pilot: We are conducting a pilot program involving the establishment of agency collection AR's on all salary overpayments. So far, two departments and two campuses have agreed to participate. As such, in mid-September all salary overpayments identified by PSD staff (for these four agencies) will be established as agency collection A/R's. This will be a change from our current practice of sending a notice of potential overpayment, and then waiting 60 days for a response. If you would like to participate in the pilot, please contact Ann Mitchell, at (916) 322-7978 or email anmitchell@sco.ca.gov.

California Personnel Office Directory (CPOD): The CPOD is a widely used tool for contacting other department Human Resources staff. The directory includes the phone numbers; FAX numbers and email addresses if provided. Please be sure to update CPOD whenever you have changes. This link will take you directly to the home page of the CPOD for ease in updating: <http://www.sco.ca.gov/ppsd/cpod>

Master Payroll Certification (MPC): We are running a report on the 15th of every month, which indicates which agency reporting units have not cleared MPC. The Transaction Supervisors will be contacted if MPC is not keyed timely. Through the August pay period, we contacted 42 agency/campus supervisors in an effort to reduce the time spent completing 674s or calling the Telephone Liaison Unit. Many of the requested transactions would take place automatically if MPC were keyed timely. If you have any questions or comments regarding this new process, please contact Ann Mitchell at (916) 322-7978, or email anmitchell@sco.ca.gov.

Questions/Answers:

Question: If my employee is on dock so that there is enough gross but not enough net to cover all the benefits, can I request a deduction AR instead of having the employee pay direct?

Answer: Yes, refer to PPM Section H 721. You would submit the request to our Benefits Unit on a STD 674 AR listing the exact benefit codes you want included.

Question: Some of our more detail oriented employees figured out that the actual percentage of reduction for PLP is less than the 5% that is shown in all the documentation. Since they now have the option of continuing on Voluntary PLP, are you going to correct this to advise the accurate amount of reduction?

Answer: The accurate rate reduction is reflected in DPA Pay Letter 04-20 and Pay Differential 286.

Next Meeting:

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The next Meeting is Thursday, November 18, 2004 from 1:30 to 3:30 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2005 calendar year. All meetings are from 1:30 to 3:30 at the above location.

January 13, 2005
March 10, 2005
May 12, 2005
July 14, 2005
September 8, 2005
November 10, 2005

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact Don Ward at (916) 322-8805 or via e-mail at dward@sco.ca.gov